Risk management checklist

Committees may see benefits in entity management completing a checklist in relation to key aspects of risk management. This checklist is intended to be completed by the most appropriate member(s) of the entity’s senior management team with responsibility for the entity’s risk management framework.

Alternatively, the committee may wish to use the checklists to assist the committee’s deliberations in relation to its responsibilities.

Irrespective of how the checklist is used, it can be readily tailored to meet the entity’s particular circumstances.

<table>
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<tr>
<th></th>
<th>Yes</th>
<th>No</th>
<th>Partially met</th>
<th>Comments</th>
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**Risk policy**

- Does the entity’s risk management policy meet the requirements of the Commonwealth’s Risk Management Policy? 40

- In particular, does the entity’s policy:
  - define the entity’s approach to the management of risk?
  - define the entity’s risk appetite and risk tolerance?
  - contain an outline of key accountabilities and responsibilities for managing and implementing the entity’s risk management framework?

**Risk framework**

- Does the entity’s risk management framework meet the requirements set out in the Commonwealth Risk Management Policy?

- In particular, does the framework include:
  - an overview of the entity’s approach to risk?
  - how the entity will report risks to both internal and external stakeholders?
  - the attributes of the risk management culture that the entity seeks to develop, and the mechanisms employed to encourage this?

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40 Non-corporate Commonwealth entities are required to comply with this policy. The policy indicates that corporate Commonwealth entities should review and align their risk management frameworks and systems with the policy as a matter of good practice.
— an overview of the entity’s approach to embedding risk management into its existing business processes? □ □ □
— how the entity contributes to managing any shared or cross jurisdictional risks? □ □ □
— the approach for measuring risk management performance? □ □ □
— how the risk management framework and entity risk profile will be periodically reviewed and improved? □ □ □

Fraud risks

Do the entity’s fraud control policies and supporting procedures meet the requirements of PGPA Rule section 10 - Preventing, detecting and dealing with fraud and, where relevant, the Commonwealth Fraud Control Policy.41 In particular, does the entity:

— conduct regular risk assessments where there are substantial changes in the entity? □ □ □
— have a fraud control plan when risks are identified? □ □ □
— take appropriate steps to prevent fraud, including ensuring staff are aware of what constitutes fraud and the risk of fraud is taken into consideration in planning and undertaking activities? □ □ □
— have appropriate mechanisms for: detecting fraud; enabling it to be reported on a confidential basis; and recording and reporting incidents of fraud or suspected fraud? □ □ □

41 This policy must be complied with by non-corporate Commonwealth entities and the policy indicates that corporate Commonwealth entities should review and align their fraud control frameworks and systems with this policy as a matter of good practice.